GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1382
ANSWERED ON:27.11.2002
REDUCTION IN LICENCE FEE
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether private cellular operators recently demanded reduction in the licence fee and permission to install adequate spectrum for superior services at lower costs;

(b) if so, whether the Indian cellular operators were offering the lowest tariffs in the world despite prohibitive regulatory costs;

(c) if so, the details thereof; and

(d) the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI S MAHAJAN)

(a) Yes, Sir.

(b) Cellular Operators Association of India (COAI) on behalf of Cellular Operators have made the claim of offering the lowest tariffs for the Service. The licence fee being charged from Cellular Operators has been fixed after obtaining recommendations from Telecom Regulatory Authority of India(TRAI). At present, the Cellular Mobile Telephone Service Providers are required to pay licence fees as 12%, 10% and 8% of Adjusted Gross Revenue (AGR) for category `A`, `B` & `C` Service Areas respectively, apart from charges for use of wireless frequency spectrum.

(c) & (d) TRAI is responsible for fixation for tariffs for Telecom Services in India including Cellular Mobile Telephone Service(CMTS). As per the information provided by TRAI, at present, Cellular Operators in India have more than 300 tariff packages in the market. It is extremely difficult to compare cellular tariffs in India with those in other countries because of the large number of tariff packages and these vary significantly between developing and developed countries. Comparison is also rendered difficult because of varying exchange rates and differences in purchasing power across countries. However, the cellular mobile tariffs in India are among the low tariffs world-wide.